

State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2008

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State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2008

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COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 JUNE 30, 2008
 (amounts expressed in thousands)

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTAL
ASSETS				
Cash/cash equivalents	\$ 18,191	\$ 85,183	\$ 3,158	\$ 106,532
Receivables (net)	3,115	1,446	1,546	6,107
Due from other governments	-	36	-	36
Due from other funds	8	1,425	-	1,433
Due from component units	-	450	-	450
Equity in pooled investments	-	-	250,242	250,242
Long-term loans/notes receivable	27,961	-	-	27,961
Advances to other funds	2,816	-	-	2,816
Investments	1,358	6,055	7,036	14,449
Securities lending collateral	155	2,847	15,455	18,457
Total assets	<u>\$ 53,604</u>	<u>\$ 97,442</u>	<u>\$ 277,437</u>	<u>\$ 428,483</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	549	4,884	6	5,439
Due to other funds	1,033	78	2,298	3,409
Due to component units	-	25	-	25
Advances from other funds	15,820	-	-	15,820
Deferred revenue	396	-	-	396
Securities lending liability	155	2,847	15,455	18,457
Total liabilities	<u>17,953</u>	<u>7,834</u>	<u>17,759</u>	<u>43,546</u>
Fund balances:				
Reserved for:				
Encumbrances	-	1,713	-	1,713
Long-term loans/notes receivable	27,961	-	-	27,961
Advances to other funds	2,816	-	-	2,816
Debt service	3,791	-	-	3,791
Trust principal	-	-	259,678	259,678
Unreserved, designated	8,532	-	-	8,532
Unreserved, undesignated	(7,449)	87,895	-	80,446
Total fund balances	<u>35,651</u>	<u>89,608</u>	<u>259,678</u>	<u>384,937</u>
Total liabilities and fund balances	<u>\$ 53,604</u>	<u>\$ 97,442</u>	<u>\$ 277,437</u>	<u>\$ 428,483</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTAL
REVENUES				
Licenses/permits	\$ -	\$ -	\$ 407	\$ 407
Taxes:				
Natural resource	698	5,371	850	6,919
Fuel	-	-	11	11
Other	-	2,075	-	2,075
Charges for services/fines/forfeits/settlements	1,956	500	13,846	16,302
Investment earnings	9,252	1,385	14,752	25,389
Securities lending income	26	45	965	1,036
Sale of documents/merchandise/property	2,497	-	-	2,497
Rentals/leases/royalties	-	-	151	151
Grants/contracts/donations	-	-	1	1
Other revenues	97	4	-	101
Total revenues	14,526	9,380	30,983	54,889
EXPENDITURES				
Current:				
General government	4	162	-	166
Public safety/corrections	-	2,177	-	2,177
Health/social services	89	303	-	392
Education/cultural	-	-	15	15
Resource/recreation/environment	7	91	-	98
Economic development/assistance	-	438	-	438
Debt service:				
Principal retirement	32,669	-	-	32,669
Interest/fiscal charges	17,301	-	-	17,301
Capital outlay	-	56,032	19	56,051
Securities lending	20	35	771	826
Total expenditures	50,090	59,238	805	110,133
Excess of revenue over (under) expenditures	(35,564)	(49,858)	30,178	(55,244)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	14,820	-	14,820
Bond premium	95	-	-	95
General capital asset sale proceeds	-	-	1	1
Transfers in	38,718	92,572	8,785	140,075
Transfers out	(9,364)	(5,669)	(12,620)	(27,653)
Total other financing sources (uses)	29,449	101,723	(3,834)	127,338
Net change in fund balances	(6,115)	51,865	26,344	72,094
Fund balances - July 1 - as previously reported	41,748	37,743	233,313	312,804
Prior period adjustments	18	-	21	39
Fund balances - July 1 - as restated	41,766	37,743	233,334	312,843
Fund balances - June 30	\$ 35,651	\$ 89,608	\$ 259,678	\$ 384,937

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NONMAJOR DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for the payment of general long-term obligation principal and interest. A brief description of each debt service fund follows:

Coal Tax – This fund accounts for payments on special revenue renewable resource program (coal severance tax) bonds.

Long-Range Building Program – This fund accounts for payments on general obligation long-range building program bonds.

Water & Wastewater Development – This fund accounts for payments on the following general obligation bonds: wastewater treatment works revolving fund, renewable resource program, drinking water revolving fund, and water pollution control revolving fund.

Water Conservation – This fund accounts for payments on water conservation loans issued for the following projects: Little Dry and Petrolia.

Health Care – This fund accounts for payments on the following special revenue bonds: Montana State Hospital and Montana Developmental Center.

Information Technology – This fund accounts for payments on general obligation information technology bonds.

Energy Conservation Program – This fund accounts for payments on general obligation bonds issued for State Building Energy Conservation Projects.

Environmental Reclamation – This fund accounts for payments on the following general obligation bonds: hard rock mining reclamation and CERCLA program.

Highway – This fund accounts for payments on the U.S. Highway 93 GARVEES special revenue bonds.

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2008
(amounts expressed in thousands)**

	COAL TAX	LONG-RANGE BUILDING PROGRAM	WATER & WASTERWATER DEVELOPMENT	WATER CONSERVATION
ASSETS				
Cash/cash equivalents	\$ 6,256	\$ 738	\$ 7,333	\$ -
Receivables (net)	460	11	2,643	1
Due from other funds	-	-	-	-
Long-term loans/notes receivable	9,862	-	18,072	27
Advances to other funds	2,816	-	-	-
Investments	-	-	301	-
Securities lending collateral	-	-	142	-
Total assets	\$ 19,394	\$ 749	\$ 28,491	\$ 28
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	2	543	-
Due to other funds	-	-	1,027	-
Advances from other funds	-	-	15,820	-
Deferred revenue	59	-	336	1
Securities lending liability	-	-	142	-
Total liabilities	59	2	17,868	1
Fund balances:				
Reserved for:				
Long-term loans/notes receivable	9,862	-	18,072	27
Advances to other funds	2,816	-	-	-
Debt service	3,791	-	-	-
Unreserved, designated	2,866	747	-	-
Unreserved, undesignated	-	-	(7,449)	-
Total fund balances	19,335	747	10,623	27
Total liabilities and fund balances	\$ 19,394	\$ 749	\$ 28,491	\$ 28

HEALTH CARE	ENERGY CONSERVATION PROGRAM	ENVIRONMENTAL RECLAMATION	TOTAL
\$ 3,292	\$ 299	\$ 273	\$ 18,191
-	-	-	3,115
-	8	-	8
-	-	-	27,961
-	-	-	2,816
1,030	27	-	1,358
-	13	-	155
\$ 4,322	\$ 347	\$ 273	\$ 53,604

-	3	1	549
-	6	-	1,033
-	-	-	15,820
-	-	-	396
-	13	-	155
-	22	1	17,953

-	-	-	27,961
-	-	-	2,816
-	-	-	3,791
4,322	325	272	8,532
-	-	-	(7,449)
4,322	325	272	35,651
\$ 4,322	\$ 347	\$ 273	\$ 53,604

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	COAL TAX	LONG-RANGE BUILDING PROGRAM	WATER & WASTERWATER DEVELOPMENT	WATER CONSERVATION
REVENUES				
Taxes:				
Natural resource	\$ -	\$ -	\$ 425	\$ -
Charges for services/fines/forfeits/settlements	-	-	999	-
Investment earnings	796	388	7,708	2
Securities lending income	11	12	3	-
Sale of documents/merchandise/property	2,497	-	-	-
Other revenues	-	-	-	-
Total revenues	3,304	400	9,135	2
EXPENDITURES				
Current:				
General government	-	4	-	-
Health/social services	-	-	-	-
Resource/recreation/environment	5	-	-	(4)
Debt service:				
Principal retirement	3,485	11,230	2,715	9
Interest/fiscal charges	1,253	6,835	1,486	2
Securities lending	8	10	2	-
Total expenditures	4,751	18,079	4,203	7
Excess of revenue over (under) expenditures	(1,447)	(17,679)	4,932	(5)
OTHER FINANCING SOURCES (USES)				
Bond premium	-	95	-	-
Transfers in	375	16,495	446	-
Transfers out	(1,535)	-	(7,829)	-
Total other financing sources (uses)	(1,160)	16,590	(7,383)	-
Net change in fund balances	(2,607)	(1,089)	(2,451)	(5)
Fund balances - July 1 - as previously reported	21,942	1,836	13,076	32
Prior period adjustments	-	-	(2)	-
Fund balances - July 1 - as restated	21,942	1,836	13,074	32
Fund balances - June 30	\$ 19,335	\$ 747	\$ 10,623	\$ 27

HEALTH CARE	INFORMATION TECHNOLOGY	ENERGY CONSERVATION PROGRAM	ENVIRONMENTAL RECLAMATION	HIGHWAY	TOTAL
\$ -	\$ -	\$ -	\$ 273	\$ -	\$ 698
-	-	957	-	-	1,956
272	-	86	-	-	9,252
-	-	-	-	-	26
-	-	-	-	-	2,497
-	97	-	-	-	97
272	97	1,043	273	-	14,526
-	-	-	-	-	4
89	-	-	-	-	89
-	-	4	2	-	7
1,525	6,320	770	240	6,375	32,669
1,418	312	287	205	5,503	17,301
-	-	-	-	-	20
3,032	6,632	1,061	447	11,878	50,090
(2,760)	(6,535)	(18)	(174)	(11,878)	(35,564)
-	-	-	-	-	95
2,779	6,535	28	182	11,878	38,718
-	-	-	-	-	(9,364)
2,779	6,535	28	182	11,878	29,449
19	-	10	8	-	(6,115)
4,303	-	295	264	-	41,748
-	-	20	-	-	18
4,303	-	315	264	-	41,766
\$ 4,322	\$ -	\$ 325	\$ 272	\$ -	\$ 35,651

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NONMAJOR CAPITAL PROJECTS FUNDS

Capital project funds are used to account for financial resources used for the acquisition or construction of major governmental general capital assets. A brief description of each capital project fund follows:

Long-Range Building Program – This fund is maintained to account for resources received and expended for the State's long-range building program. The long-range building program includes costs for the acquisition, construction, and improvement of major capital assets financed by general obligation bonds and interest earned on bond proceeds.

Information Technology Projects – This fund accounts for resources received and expended for information technology projects for various upgrade and replacement activities.

Federal/Private Construction Grants – This fund accounts for federal grants, private donations, and federal matching funds that are restricted to general capital asset construction.

Capital Land Grant – This fund accounts for revenues and expenditures from the Capital Land Grant. Revenues are dedicated for the purpose of constructing capital buildings or additions thereto. Revenues may be transferred to a debt service fund for the payment of principal and interest on bonds issued for capital building construction.

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2008
 (amounts expressed in thousands)

	LONG-RANGE BUILDING PROGRAM	INFORMATION TECHNOLOGY PROJECTS	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTAL
ASSETS					
Cash/cash equivalents	\$ 80,615	\$ 2,701	\$ -	\$ 1,867	\$ 85,183
Receivables (net)	1,446	-	-	-	1,446
Due from other governments	-	-	36	-	36
Due from other funds	1,290	135	-	-	1,425
Due from component units	450	-	-	-	450
Investments	6,053	2	-	-	6,055
Securities lending collateral	2,846	1	-	-	2,847
Total assets	\$ 92,700	\$ 2,839	\$ 36	\$ 1,867	\$ 97,442
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	4,818	30	36	-	4,884
Due to other funds	77	1	-	-	78
Due to component units	25	-	-	-	25
Securities lending liability	2,846	1	-	-	2,847
Total liabilities	7,766	32	36	-	7,834
Fund balances:					
Encumbrances	1,713	-	-	-	1,713
Unreserved	83,221	2,807	-	1,867	87,895
Total fund balances	84,934	2,807	-	1,867	89,608
Total liabilities and fund balances	\$ 92,700	\$ 2,839	\$ 36	\$ 1,867	\$ 97,442

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	LONG-RANGE BUILDING PROGRAM	INFORMATION TECHNOLOGY PROJECTS	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTAL
REVENUES					
Taxes:					
Natural Resource	\$ 5,371	\$ -	\$ -	\$ -	\$ 5,371
Other	2,075	-	-	-	2,075
Charges for services/fines/forfeits/settlements	500	-	-	-	500
Investment earnings	1,385	-	-	-	1,385
Securities lending income	45	-	-	-	45
Other revenues	3	1	-	-	4
Total revenues	9,379	1	-	-	9,380
EXPENDITURES					
Current:					
General government	-	162	-	-	162
Public safety/corrections	-	2,175	2	-	2,177
Health/social services	303	-	-	-	303
Resource/recreation/environment	91	-	-	-	91
Economic development/assistance	438	-	-	-	438
Capital outlay	51,134	1,215	3,683	-	56,032
Securities lending	35	-	-	-	35
Total expenditures	52,001	3,552	3,685	-	59,238
Excess of revenue over (under) expenditures	(42,622)	(3,551)	(3,685)	-	(49,858)
OTHER FINANCING SOURCES (USES)					
Bonds issued	14,820	-	-	-	14,820
Transfers in	81,698	6,178	3,685	1,011	92,572
Transfers out	(5,182)	-	-	(487)	(5,669)
Total other financing sources (uses)	91,336	6,178	3,685	524	101,723
Net change in fund balances	48,714	2,627	-	524	51,865
Fund balances - July 1 - as previously reported	36,220	180	-	1,343	37,743
Fund balances - June 30	\$ 84,934	\$ 2,807	\$ -	\$ 1,867	\$ 89,608

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NONMAJOR PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support state government programs. A brief description of each permanent fund follows:

Resource Indemnity – Taxes paid by persons engaging in or carrying on the business of mining, extracting, or producing minerals are deposited in this fund. Only the net earnings of the trust may be appropriated until the principal reaches \$100 million. Interest earnings are expended from a special revenue fund. This fund is administered by the Department of Revenue.

Parks Trust and Cultural Trust – A portion of coal severance taxes are credited to these funds by the Department of Revenue. Income from the trusts is used for the acquisition and maintenance of state parks and historical sites by the Department of Fish, Wildlife and Parks. The Montana Arts Council uses income from the trusts for the protection of works of art in the State Capitol and for other cultural projects.

Real Property Trust – Money received by the Department of Fish, Wildlife and Parks from the sale of real property; the exploration and development of oil, gas, and mineral deposits; and leasing department real property is deposited in this fund. Interest is recorded in a special revenue fund and used for developing and maintaining real property of the department.

Noxious Weed Management – The Department of Agriculture accounts for revenues and interest earned on fees charged for the control of noxious weeds.

Historical Society Trusts – The fund accounts for memorials, bequests, and various other contributions to the Montana Historical Society. Includes the following trust funds: James H. Bradley Memorial, Thomas Teakle, Merritt-Wheeler Memorial, Historical Society Acquisitions, Sobotka Memorial, and Edger I. and Jane R. Stewart.

PHHS Trusts – This fund provides services and activities related to a broad range of child abuse and neglect prevention activities operated by non-profit or public community educational and service organizations.

Tobacco Settlement Interest – This fund holds interest earned by investing the Tobacco Settlement Principal.

Zortman/Landusky Water Treatment – This fund provides for long-term or perpetual water treatment at the Zortman and Landusky mine sites.

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
JUNE 30, 2008
(amounts expressed in thousands)**

	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY TRUST	NOXIOUS WEED MANAGEMENT
ASSETS					
Cash/cash equivalents	\$ 457	\$ 121	\$ 245	\$ 629	\$ 712
Receivables (net)	529	227	120	68	80
Equity in pooled investments	101,596	18,266	10,246	12,387	7,211
Investments	47	12	25	64	2,580
Securities lending collateral	5,906	1,064	605	747	1,238
Total assets	\$ 108,535	\$ 19,690	\$ 11,241	\$ 13,895	\$ 11,821
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	2
Due to other funds	1,011	86	145	59	571
Securities lending liability	5,906	1,064	605	747	1,238
Total liabilities	6,917	1,150	750	806	1,811
Fund balances:					
Reserved for:					
Trust principal	101,618	18,540	10,491	13,089	10,010
Total fund balances	101,618	18,540	10,491	13,089	10,010
Total liabilities and fund balances	\$ 108,535	\$ 19,690	\$ 11,241	\$ 13,895	\$ 11,821

HISTORICAL SOCIETY TRUSTS	DPHHS TRUSTS	TOBACCO SETTLEMENT INTEREST	ZORTMAN/ LANDUSKY WATER TREATMENT	TOTAL
\$ 111	\$ 357	\$ 487	\$ 39	\$ 3,158
3	46	473	-	1,546
1,208	8,713	90,615	-	250,242
8	37	50	4,213	7,036
100	522	5,271	2	15,455
<u>\$ 1,430</u>	<u>\$ 9,675</u>	<u>\$ 96,896</u>	<u>\$ 4,254</u>	<u>\$ 277,437</u>
4	-	-	-	6
-	-	426	-	2,298
100	522	5,271	2	15,455
104	522	5,697	2	17,759
1,326	9,153	91,199	4,252	259,678
1,326	9,153	91,199	4,252	259,678
<u>\$ 1,430</u>	<u>\$ 9,675</u>	<u>\$ 96,896</u>	<u>\$ 4,254</u>	<u>\$ 277,437</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR PERMANENT FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY TRUST	NOXIOUS WEED MANAGEMENT
REVENUES					
Licenses/permits	\$ -	\$ -	\$ -	\$ 407	\$ -
Taxes:					
Natural resource	-	568	282	-	-
Fuel	-	-	-	-	11
Charges for services/fines/forfeits/settlements	-	-	-	-	-
Investment earnings	6,213	1,080	620	752	605
Securities lending income	329	58	33	40	100
Rentals/leases/royalties	-	-	-	151	-
Grants/contracts/donations	-	-	-	-	-
Total revenues	6,542	1,706	935	1,350	716
EXPENDITURES					
Current:					
Education/cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Securities lending	260	46	26	31	85
Total expenditures	260	46	26	31	85
Excess of revenue over (under) expenditures	6,282	1,660	909	1,319	631
OTHER FINANCING SOURCES (USES)					
General capital asset sale proceeds	-	-	-	-	-
Transfers in	-	-	1,500	3	5,082
Transfers out	(5,801)	(929)	(584)	(644)	(571)
Total other financing sources (uses)	(5,801)	(929)	916	(641)	4,511
Net change in fund balances	481	731	1,825	678	5,142
Fund balances - July 1 - as previously reported	101,137	17,809	8,666	12,390	4,868
Prior period adjustments	-	-	-	21	-
Fund balances - July 1 - as restated	101,137	17,809	8,666	12,411	4,868
Fund balances - June 30	\$ 101,618	\$ 18,540	\$ 10,491	\$ 13,089	\$ 10,010

HISTORICAL SOCIETY TRUSTS	DPHHS TRUSTS	TOBACCO SETTLEMENT INTEREST	ZORTMAN/ LANDUSKY WATER TREATMENT	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 407
-	-	-	-	850
-	-	-	-	11
-	-	13,846	-	13,846
(74)	414	4,639	503	14,752
5	25	258	117	965
-	-	-	-	151
1	-	-	-	1
(68)	439	18,743	620	30,983
15	-	-	-	15
19	-	-	-	19
4	20	204	95	771
38	20	204	95	805
(106)	419	18,539	525	30,178
1	-	-	-	1
-	1,000	-	1,200	8,785
-	-	(4,091)	-	(12,620)
1	1,000	(4,091)	1,200	(3,834)
(105)	1,419	14,448	1,725	26,344
1,431	7,734	76,751	2,527	233,313
-	-	-	-	21
1,431	7,734	76,751	2,527	233,334
\$ 1,326	\$ 9,153	\$ 91,199	\$ 4,252	\$ 259,678

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that provide goods or services to the public on a user charge basis. A brief description of each enterprise fund follows:

Liquor Warehouse – This fund accounts for activities related to the sale and distribution of alcoholic beverages and licensing within the State. Profits and license fees are used to finance General Fund expenditures.

Hail Insurance – Any producer engaged in the growing of crops subject to damage by hail may participate in the hail insurance program. This fund accounts for premium assessments paid by producers for crop acreage insured, investment and interest earnings, administrative costs, and benefits paid by the Department of Agriculture.

State Lottery – This fund accounts for the operations of Montana's lottery.

Prison Industries – These operations provide training and employment for inmates. The products produced are sold to state agencies, non-profit organizations, and other customers in accordance with state policies.

MUS Group Insurance – This fund accounts for employee contributions to the Montana University System's medical/dental self-insurance plan.

MUS Workers Compensation – This fund accounts for self-insured workers compensation coverage for employees of the Montana University System.

Subsequent Injury – This fund accounts for the assessments collected from employers and benefits paid to workers who are certified as vocationally handicapped and are injured on the job.

Secretary of State Business Services – This fund accounts for the Business and Government Services activities and the Administrative Code Program of the Secretary of State's Office.

Historical Society Publications – This fund accounts for the Historical Society's sales from "Montana, The Magazine of Western History"; books; publications; and merchandise from the Historical Society store.

Surplus Property – The Department of Administration accounts for intragovernmental sales of state and federal surplus property to state agencies, local governments, and designated non-profit organizations.

West Yellowstone Airport – This fund, administered by the Department of Transportation, accounts for operations of the airport at West Yellowstone. User airlines are assessed rental and landing fees.

Local Government Audits – This fund accounts for the costs incurred by the Department of Administration for audits of local governments, required under Sections 2-7-501 through 522 of the Montana Code Annotated, and the fees assessed the local governments for the audits.

Flexible Spending Administration – This fund accounts for the fees collected from the participants in the Flexible Spending Programs and the related administrative costs of the plans administered by the Department of Administration and the Office of the Commissioner of Higher Education.

HUD Section 8 Housing – This fund accounts for a program that provides rental assistance to low-income families throughout Montana.

Other Enterprise Funds – This category includes several small enterprise funds administered by various agencies.

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2008
 (amounts expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
ASSETS				
Current assets:				
Cash/cash equivalents	\$ 2,370	\$ 11,667	\$ 1,690	\$ 1,788
Receivables (net)	16,558	4,344	1,412	432
Interfund loans receivable	-	-	-	18
Due from other governments	-	-	-	-
Due from other funds	-	-	1	403
Due from component units	2	-	-	4
Inventories	71	-	1,400	5,214
Securities lending collateral	-	564	66	-
Other current assets	78	-	57	-
Total current assets	19,079	16,575	4,626	7,859
Noncurrent assets:				
Advances to other funds	75	-	-	-
Long-term investments	-	1,201	140	-
Long-term notes/loans receivable	-	-	-	-
Other long-term assets	-	-	1,626	292
Capital assets:				
Land	-	-	-	690
Land improvements	-	-	-	240
Buildings/improvements	2,044	-	-	4,682
Equipment	459	-	540	3,872
Infrastructure	-	-	-	884
Construction in progress	-	-	-	492
Intangible assets	-	-	-	-
Less accumulated depreciation	(1,631)	-	(313)	(5,790)
Total capital assets	872	-	227	5,070
Total noncurrent assets	947	1,201	1,993	5,362
Total assets	20,026	17,776	6,619	13,221

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ 34,606	\$ 9,352	\$ 124	\$ 3,669	\$ 158	\$ 6
201	13	56	35	6	24
-	-	-	-	-	-
-	-	-	4	-	-
-	-	16	14	-	13
1,896	375	54	4	-	-
-	-	-	18	428	142
1,606	395	296	172	-	-
-	250	-	7	-	1
38,309	10,385	546	3,923	592	186
-	-	-	-	-	-
3,415	840	619	365	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	118
-	-	-	365	11	148
-	-	-	-	-	-
-	-	-	75	-	-
-	-	-	166	-	-
-	-	-	(207)	(10)	(171)
-	-	-	399	1	95
3,415	840	619	764	1	95
41,724	11,225	1,165	4,687	593	281

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2008

(amounts expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
ASSETS			
Current assets:			
Cash/cash equivalents	\$ 348	\$ 316	\$ 1,140
Receivables (net)	-	-	327
Interfund loans receivable	141	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Due from component units	-	-	152
Inventories	-	-	-
Securities lending collateral	-	-	25
Other current assets	-	-	-
Total current assets	489	316	1,644
Noncurrent assets:			
Advances to other funds	-	-	-
Long-term investments	-	-	54
Long-term notes/loans receivable	-	-	-
Other long-term assets	-	-	-
Capital assets:			
Land	110	-	-
Land improvements	2,103	-	-
Buildings/improvements	487	-	-
Equipment	282	-	-
Infrastructure	-	-	-
Construction in progress	-	-	-
Intangible assets	-	-	-
Less accumulated depreciation	(975)	-	-
Total capital assets	2,007	-	-
Total noncurrent assets	2,007	-	54
Total assets	2,496	316	1,698

	HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$	7,994	\$	1,081
	72	-	23,480
	-	-	159
	676	49	729
	1	17	465
	-	-	2,487
	-	115	7,388
	372	6	3,502
	1	-	394
	9,116	1,268	114,913
	-	-	75
	791	12	7,437
	420	-	420
	-	-	1,918
	-	-	800
	-	-	2,343
	-	-	7,331
	52	94	5,823
	-	-	884
	-	-	567
	20	-	186
	(47)	(60)	(9,204)
	25	34	8,730
	1,236	46	18,580
	10,352	1,314	133,493

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2008

(amounts expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 5,349	\$ 19	\$ 612	\$ 267
Lottery prizes payable	-	-	2,031	-
Interfund loans payable	-	70	-	-
Due to other governments	-	-	-	-
Due to other funds	10,202	90	2,308	248
Due to component units	-	-	-	4
Deferred revenue	1,183	4,438	191	61
Amounts held in custody for others	80	-	-	-
Securities lending liability	-	564	66	-
Estimated insurance claims	-	3,475	-	-
Compensated absences payable	125	10	80	97
Total current liabilities	16,939	8,666	5,288	677
Noncurrent liabilities:				
Lottery prizes payable	-	-	1,095	-
Estimated insurance claims	-	-	-	-
Compensated absences payable	178	20	132	207
OPEB implicit rate subsidy	124	12	104	111
Total noncurrent liabilities	302	32	1,331	318
Total liabilities	17,241	8,698	6,619	995
NET ASSETS				
Invested in capital assets, net of related debt	872	-	227	5,070
Restricted for:				
Other purposes	-	9,078	-	-
Unrestricted	1,913	-	(227)	7,156
Total net assets	\$ 2,785	\$ 9,078	\$ -	\$ 12,226

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ 2,574	\$ 18	\$ 1	\$ 264	\$ 44	\$ 21
-	-	-	-	-	-
-	-	-	-	-	225
-	-	-	-	-	-
1	-	-	55	6	23
17	-	-	-	-	2
-	-	-	162	135	-
-	-	-	4	-	-
1,606	395	296	172	-	-
6,500	856	650	-	-	-
6	3	-	108	17	16
10,704	1,272	947	765	202	287
-	-	-	-	-	-
-	5,501	2,910	-	-	-
29	1	-	213	25	21
14	2	-	187	27	14
43	5,504	2,910	400	52	35
10,747	6,776	3,857	1,165	254	322
-	-	-	399	1	95
30,977	4,449	-	-	-	-
-	-	(2,692)	3,123	338	(136)
\$ 30,977	\$ 4,449	\$ (2,692)	\$ 3,522	\$ 339	\$ (41)

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2008

(amounts expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 127	\$ 19	\$ 70
Lottery prizes payable	-	-	-
Interfund loans payable	-	-	-
Due to other governments	-	-	-
Due to other funds	-	1	-
Due to component units	-	-	-
Deferred revenue	-	-	-
Amounts held in custody for others	2	-	-
Securities lending liability	-	-	25
Estimated insurance claims	-	-	-
Compensated absences payable	5	13	-
Total current liabilities	134	33	95
Noncurrent liabilities:			
Lottery prizes payable	-	-	-
Estimated insurance claims	-	-	-
Compensated absences payable	10	18	-
OPEB implicit rate subsidy	7	11	-
Total noncurrent liabilities	17	29	-
Total liabilities	151	62	95
NET ASSETS			
Invested in capital assets, net of related debt	2,007	-	-
Restricted for:			
Other purposes	338	-	1,603
Unrestricted	-	254	-
Total net assets	\$ 2,345	\$ 254	\$ 1,603

	HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$	57	\$ 224	\$ 9,666
	-	-	2,031
	-	-	295
	41	-	41
	21	19	12,974
	-	-	23
	-	269	6,439
	-	-	86
	372	6	3,502
	-	-	11,481
	38	14	532
	529	532	47,070
	-	-	1,095
	-	-	8,411
	53	48	955
	59	26	698
	112	74	11,159
	641	606	58,229
	25	34	8,730
	9,686	674	56,805
	-	-	9,729
\$	9,711	\$ 708	\$ 75,264

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
Operating revenues:				
Charges for services	\$ 69,096	\$ -	\$ 43,826	\$ 7,150
Investment earnings	-	402	182	-
Securities lending income	-	13	4	-
Contributions/premiums	-	7,717	-	-
Grants/contracts/donations	-	-	-	-
Other operating revenues	160	13	1	-
Total operating revenues	69,256	8,145	44,013	7,150
Operating expenses:				
Personal services	2,346	308	1,737	2,570
Contractual services	401	187	5,648	129
Supplies/materials	55,825	3	1,430	2,366
Benefits/claims	124	9,707	104	111
Depreciation	95	-	43	322
Amortization	-	-	-	-
Utilities/rent	166	9	140	187
Communications	59	8	724	23
Travel	20	30	68	24
Repair/maintenance	102	2	43	440
Grants	-	-	-	-
Lottery prize payments	-	-	22,838	-
Interest expense	-	-	-	-
Securities lending expense	-	10	4	-
Arbitrage rebate tax	-	-	-	-
Dividend expense	-	793	-	-
Other operating expenses	87	7	204	436
Total operating expenses	59,225	11,064	32,983	6,608
Operating income (loss)	10,031	(2,919)	11,030	542
Nonoperating revenues (expenses):				
Tax revenues	20,340	-	-	-
Gain (loss) on sale of capital assets	(2)	-	(1)	-
Federal indirect cost recoveries	-	-	-	-
Increase (decrease) value of livestock	-	-	-	(62)
Total nonoperating revenues (expenses)	20,338	-	(1)	(62)
Income (loss) before contributions and transfers	30,369	(2,919)	11,029	480
Capital contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(30,518)	(121)	(11,029)	-
Change in net assets	(149)	(3,040)	-	480
Total net assets - July 1 - as previously reported	2,934	12,118	-	11,746
Prior period adjustments	-	-	-	-
Total net assets - July 1 - as restated	2,934	12,118	-	11,746
Total net assets - June 30	\$ 2,785	\$ 9,078	\$ -	\$ 12,226

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ -	\$ -	\$ -	\$ 4,953	\$ 655	\$ 309
1,354	338	56	153	-	-
44	6	25	5	-	-
62,666	4,660	489	-	-	-
885	-	-	-	58	-
1,448	-	4	51	4	-
66,397	5,004	574	5,162	717	309
337	81	-	3,028	332	230
3,742	405	-	1,136	104	18
33	-	-	172	268	339
54,578	2,512	964	187	27	14
-	-	-	31	-	12
-	-	-	146	-	-
8	5	-	252	11	24
10	1	-	204	36	7
7	3	-	122	6	1
5	-	-	46	13	2
-	-	-	4	-	-
-	-	-	-	-	-
-	19	-	-	-	-
34	4	22	4	-	-
-	1	-	-	-	-
-	-	-	-	-	-
580	78	-	92	41	6
59,334	3,109	986	5,424	838	653
7,063	1,895	(412)	(262)	(121)	(344)
-	-	-	-	-	-
-	-	-	(2)	-	(5)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(2)	-	(5)
7,063	1,895	(412)	(264)	(121)	(349)
-	-	-	-	-	326
-	-	-	-	95	-
-	-	(106)	-	(44)	-
7,063	1,895	(518)	(264)	(70)	(23)
23,914	2,554	(2,156)	3,808	409	(18)
-	-	(18)	(22)	-	-
23,914	2,554	(2,174)	3,786	409	(18)
\$ 30,977	\$ 4,449	\$ (2,692)	\$ 3,522	\$ 339	\$ (41)

(Continued on Next Page)

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
Operating revenues:			
Charges for services	\$ 47	\$ 358	\$ 136
Investment earnings	-	-	22
Securities lending income	-	-	1
Contributions/premiums	-	-	11,206
Grants/contracts/donations	-	-	-
Other operating revenues	127	-	-
Total operating revenues	174	358	11,365
Operating expenses:			
Personal services	135	191	-
Contractual services	27	18	132
Supplies/materials	3	9	-
Benefits/claims	7	11	10,655
Depreciation	114	-	-
Amortization	-	-	-
Utilities/rent	38	29	-
Communications	7	7	-
Travel	6	3	-
Repair/maintenance	18	-	-
Grants	-	-	-
Lottery prize payments	-	-	-
Interest expense	-	-	-
Securities lending expense	-	-	1
Arbitrage rebate tax	-	-	-
Dividend expense	-	-	-
Other operating expenses	2	16	140
Total operating expenses	357	284	10,928
Operating income (loss)	(183)	74	437
Nonoperating revenues (expenses):			
Tax revenues	-	-	-
Gain (loss) on sale of capital assets	-	-	-
Federal indirect cost recoveries	8	-	-
Increase (decrease) value of livestock	-	-	-
Total nonoperating revenues (expenses)	8	-	-
Income (loss) before contributions and transfers	(175)	74	437
Capital contributions	200	-	-
Transfers in	14	-	-
Transfers out	-	-	-
Change in net assets	39	74	437
Total net assets - July 1 - as previously reported	2,315	180	1,166
Prior period adjustments	(9)	-	-
Total net assets - July 1 - as restated	2,306	180	1,166
Total net assets - June 30	\$ 2,345	\$ 254	\$ 1,603

HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$ 38	\$ 1,550	\$ 128,118
369	5	2,881
11	-	109
-	-	86,738
35,638	-	36,581
1	113	1,922
36,057	1,668	256,349
928	478	12,701
121	543	12,611
36	321	60,805
32,874	29	111,904
3	5	625
6	-	152
80	20	969
41	5	1,132
42	28	360
36	41	748
1,305	-	1,309
-	-	22,838
-	-	19
9	-	88
-	-	1
-	-	793
241	30	1,960
35,722	1,500	229,015
335	168	27,334
-	-	20,340
-	-	(10)
-	-	8
-	-	(62)
-	-	20,276
335	168	47,610
-	14	540
-	-	109
-	-	(41,818)
335	182	6,441
9,376	526	68,872
-	-	(49)
9,376	526	68,823
\$ 9,711	\$ 708	\$ 75,264

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from sales and services	\$ 68,257	\$ 8,016	\$ 43,882	\$ 6,854
Payments to suppliers for goods and services	(67,481)	(290)	(7,990)	(3,433)
Payments to employees	(2,218)	(305)	(1,600)	(2,601)
Grant receipts	-	-	-	-
Grant payments	-	-	-	-
Cash payments for claims	-	(6,739)	-	-
Cash payments for prizes	-	-	(22,727)	-
Other operating revenues	160	-	-	-
Other operating payments	-	(793)	-	-
Net cash provided by (used for) operating activities	(1,282)	(111)	11,565	820
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Collection of taxes	20,340	-	-	-
Transfers to other funds	(20,335)	(83)	(11,599)	-
Transfers from other funds	-	-	-	-
Proceeds from interfund loans/advances	-	70	-	-
Payments of interfund loans/advances	-	-	-	(18)
Payment of principal and interest on bonds and notes	-	-	-	-
Net cash provided by (used for) noncapital financing activities	5	(13)	(11,599)	(18)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(111)	-	(62)	(170)
Proceeds from sale of capital assets	-	-	1	-
Net cash used for capital and related financing activities	(111)	-	(61)	(170)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	(1,201)	(140)	-
Proceeds from sales or maturities of investments	-	-	-	-
Proceeds from securities lending transactions	-	13	-	-
Interest and dividends on investments	-	430	86	-
Payment of securities lending costs	-	(10)	-	-
Net cash provided by (used for) investing activities	-	(768)	(54)	-
Net increase (decrease) in cash and cash equivalents	(1,388)	(892)	(149)	632
Cash and cash equivalents, July 1	3,758	12,559	1,839	1,156
Cash and cash equivalents, June 30	\$ 2,370	\$ 11,667	\$ 1,690	\$ 1,788

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
64,145 \$	4,454 \$	390 \$	4,925 \$	716 \$	658
(4,132)	-	-	(1,964)	(465)	(420)
(318)	(378)	-	(2,921)	(363)	(228)
-	-	-	-	58	-
-	-	-	-	-	-
(54,389)	(1,658)	(727)	-	-	-
-	(470)	-	-	-	-
1,320	-	4	51	4	-
-	(37)	-	-	-	-
6,626	1,911	(333)	91	(50)	10
-	(5)	-	-	-	-
-	-	(122)	-	(45)	-
-	-	-	-	94	-
-	-	-	-	(82)	-
-	-	-	-	-	-
-	(442)	-	-	-	-
-	(447)	(122)	-	(33)	-
-	-	-	(145)	-	(14)
-	-	-	-	-	-
-	-	-	(145)	-	(14)
(3,415)	(840)	(619)	(365)	-	-
-	650	1,005	-	-	-
44	6	25	5	-	-
1,283	341	63	145	-	-
(34)	-	(22)	(4)	-	-
(2,122)	157	452	(219)	-	-
4,504	1,621	(3)	(273)	(83)	(4)
30,102	7,731	127	3,942	241	10
34,606 \$	9,352 \$	124 \$	3,669 \$	158	6

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from sales and services	\$ 48	\$ 359	\$ 11,291
Payments to suppliers for goods and services	(120)	(76)	(229)
Payments to employees	(133)	(187)	-
Grant receipts	-	-	-
Grant payments	-	-	-
Cash payments for claims	-	-	(10,825)
Cash payments for prizes	-	-	-
Other operating revenues	126	-	-
Other operating payments	-	-	-
Net cash provided by (used for) operating activities	(79)	96	237
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Collection of taxes	-	-	-
Transfers to other funds	-	-	-
Transfers from other funds	14	-	-
Proceeds from interfund loans/advances	(6)	-	-
Payments of interfund loans/advances	-	-	-
Payment of principal and interest on bonds and notes	-	-	-
Net cash provided by (used for) noncapital financing activities	8	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(11)	-	-
Proceeds from sale of capital assets	-	-	-
Net cash used for capital and related financing activities	(11)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	-	(54)
Proceeds from sales or maturities of investments	-	-	-
Proceeds from securities lending transactions	-	-	1
Interest and dividends on investments	-	-	23
Payment of securities lending costs	-	-	(1)
Net cash provided by (used for) investing activities	-	-	(31)
Net increase (decrease) in cash and cash equivalents	(82)	96	206
Cash and cash equivalents, July 1	430	220	934
Cash and cash equivalents, June 30	\$ 348	\$ 316	\$ 1,140

	HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$	135	\$ 1,910	\$ 216,040
	(33,472)	(954)	(121,026)
	(914)	(456)	(12,622)
	35,779	-	35,837
	(1,305)	-	(1,305)
	-	-	(74,338)
	-	-	(23,197)
	1	112	1,778
	-	-	(830)
	224	612	20,337
	-	-	20,335
	-	-	(32,184)
	-	-	108
	-	-	(18)
	-	-	(18)
	-	-	(442)
	-	-	(12,219)
	(1)	(12)	(526)
	-	-	1
	(1)	(12)	(525)
	(672)	(17)	(7,323)
	-	-	1,655
	-	-	94
	363	5	2,739
	(9)	5	(75)
	(318)	(7)	(2,910)
	(95)	593	4,683
	8,089	488	71,626
\$	7,994	\$ 1,081	\$ 76,309

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 10,031	\$ (2,919)	\$ 11,030	\$ 542
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	95	-	43	322
Amortization	-	-	-	-
Interest expense	-	-	-	-
Securities lending expense	-	10	4	-
Investment earnings	-	(430)	(182)	-
Securities lending income	-	(13)	(4)	-
Federal indirect cost recoveries	-	-	-	-
Change in assets and liabilities:				
Decr (incr) in accounts receivable	(473)	731	(30)	(87)
Decr (incr) in due from other funds	6	1	-	(138)
Decr (incr) in due from component units	(1)	-	-	8
Decr (incr) in due from other governments	-	-	-	-
Decr (incr) in inventories	(7)	-	215	(211)
Decr (incr) in other assets	-	-	(48)	-
Incr (decr) in accounts payable	363	5	(115)	20
Incr (decr) in lottery prizes payable	-	-	419	-
Incr (decr) in due to other funds	(11,105)	(47)	15	193
Incr (decr) in due to component units	-	-	-	-
Incr (decr) in due to other governments	-	-	-	-
Incr (decr) in deferred revenue	136	(421)	84	28
Incr (decr) in amounts held in custody for others	(505)	-	-	-
Incr (decr) in compensated absences payable	54	4	30	32
Incr (decr) in OPEB implicit rate subsidy	124	12	104	111
Incr (decr) in estimated claims	-	2,956	-	-
Net cash provided by (used for) operating activities	\$ (1,282)	\$ (111)	\$ 11,565	\$ 820
Schedule of noncash transactions:				
Capital asset acquisitions from contributed capital	\$ -	\$ -	\$ -	\$ -
Amortization of bond issuance costs	\$ -	\$ -	\$ -	\$ -
Incr (decr) in fair value of investments	\$ -	\$ -	\$ -	\$ -
Total noncash transactions	\$ -	\$ -	\$ -	\$ -

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
7,063 \$	1,895 \$	(412) \$	(262) \$	(119) \$	(344)
-	-	-	31	-	12
-	9	-	146	-	-
-	13	-	-	-	-
34	-	22	4	-	-
(1,283)	(341)	(56)	(145)	-	-
(44)	-	(25)	(5)	-	-
-	-	-	-	-	-
274	-	(47)	(15)	13	23
-	-	(16)	(7)	8	(1)
123	(205)	(54)	(4)	-	-
-	-	-	-	-	-
-	-	-	6	1	297
-	(250)	-	(9)	-	-
187	(37)	(99)	61	3	(9)
-	-	-	-	-	-
(15)	(34)	-	24	(2)	10
17	-	-	-	-	2
-	-	-	-	-	-
(4)	-	-	(10)	39	-
-	-	-	-	-	-
10	5	-	90	(20)	6
14	2	-	186	27	14
250	854	354	-	-	-
6,626 \$	1,911 \$	(333) \$	91 \$	(50) \$	10
- \$	- \$	- \$	- \$	- \$	-
- \$	9 \$	- \$	- \$	- \$	-
- \$	21 \$	- \$	- \$	- \$	-
- \$	30 \$	- \$	- \$	- \$	-

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (183)	\$ 74	\$ 437
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	114	-	-
Amortization	-	-	-
Interest expense	-	-	-
Securities lending expense	-	-	1
Investment earnings	-	-	(23)
Securities lending income	-	-	(1)
Federal indirect cost recoveries	(8)	-	-
Change in assets and liabilities:			
Decr (incr) in accounts receivable	(128)	-	(48)
Decr (incr) in due from other funds	9	-	-
Decr (incr) in due from component units	-	-	(2)
Decr (incr) in due from other governments	-	-	-
Decr (incr) in inventories	-	-	-
Decr (incr) in other assets	-	-	-
Incr (decr) in accounts payable	107	9	(127)
Incr (decr) in lottery prizes payable	-	-	-
Incr (decr) in due to other funds	(1)	-	-
Incr (decr) in due to component units	-	-	-
Incr (decr) in due to other governments	-	-	-
Incr (decr) in deferred revenue	-	-	-
Incr (decr) in amounts held in custody for others	1	-	-
Incr (decr) in compensated absences payable	3	2	-
Incr (decr) in OPEB implicit rate subsidy	7	11	-
Incr (decr) in estimated claims	-	-	-
Net cash provided by (used for) operating activities	\$ (79)	\$ 96	\$ 237
Schedule of noncash transactions:			
Capital asset acquisitions from contributed capital	\$ 200	\$ -	\$ -
Amortization of bond issuance costs	\$ -	\$ -	\$ -
Incr (decr) in fair value of investments	\$ -	\$ -	\$ -
Total noncash transactions	\$ 200	\$ -	\$ -

	HUD SECTION 8 HOUSING		OTHER ENTERPRISE FUNDS		TOTAL
	\$ 335		\$ 168		\$ 27,336
	3		5		625
	6		-		161
	-		-		13
	9		-		84
	(352)		(5)		(2,817)
	(11)		-		(103)
	-		-		(8)
	24		-		237
	-		81		(57)
	-		-		(135)
	88		-		88
	-		(2)		299
	(1)		-		(308)
	(1)		48		415
	-		-		419
	-		3		(10,959)
	-		-		19
	53		7		60
	-		269		121
	-		-		(504)
	12		12		240
	59		26		697
	-		-		4,414
	\$ 224		\$ 612		\$ 20,337
	\$ -		\$ 14		\$ 214
	\$ -		\$ -		\$ 9
	\$ -		\$ -		\$ 21
	\$ -		\$ 14		\$ 244

INTERNAL SERVICE FUNDS

Internal service funds are used to account for operations that provide goods or services to other agencies or programs of state government on a cost-reimbursement basis. A brief description of each internal service fund follows:

FWP Equipment – This fund is used to account for interdepartmental and intradepartmental sales and use of FWP equipment.

Highway Equipment – This fund is used to account for interdepartmental and intradepartmental sales and use of Department of Transportation equipment.

Employee Group Benefits – This fund receives employee (excluding higher education units) withholdings and state contributions to the medical self-insurance plan. The State contracted with Blue Cross and Blue Shield of Montana to oversee the administrative functions of the program.

Information Technology Services – State agencies and private users are assessed a fee for their use of the State's phone system, centralized data processing, and systems design services provided by the Department of Administration.

Administration Insurance – In this fund, the Department of Administration accounts for the State's property self-insurance program (including liability, property, flood, etc.).

Administration Supply – This fund is used by the Department of Administration to account for intragovernmental sales of office supplies and paper products to state agencies.

Motor Pool – State employee transportation is provided by the Department of Transportation through a pool of vehicles. The cost of operating the Motor Pool is recovered through rental rates charged to user agencies based on the average operating costs per mile for each class of vehicle.

Print & Mail Services – Agencies are assessed a fee for duplicating, typesetting, forms design, and graphic arts services.

Buildings & Grounds – Rental proceeds from state agencies are used to pay maintenance, security, and landscaping costs for state-owned property.

Central Service Funds – This fund group consists of four funds, used by the Department of Administration, the Department of Labor and Industry, the Department of Commerce, and the Office of Public Instruction, for administrative services provided on a cost recovery basis to programs within the departments.

DEQ Indirect Cost Pool – This fund is used to account for funds collected as indirect costs from the operating units of the Department of Environmental Quality and to fund the department's indirect cost pool operations that provide services to the department.

Payroll Processing – This fund accounts for the payments received from state agencies for the costs associated with the processing of payroll warrants. This fund also implements and maintains the State’s central human resource reporting system.

Warrant Processing – This fund accounts for the payments received from state agencies for the costs associated with the processing of all warrants other than payroll.

Investment Division – This fund accounts for costs associated with operations of the Board of Investments (BOI). BOI assists agencies in the investment of state funds. Costs of administering and accounting for each investment fund are allocated based on the dollar volume of investments held by user agencies.

Aircraft Operation – This fund is used by the Department of State Lands to account for fees charged to users of state aircraft.

Justice Legal Services – The Attorney General's Office and the Department of Justice charge other state agencies a fee for legal assistance. The Department of Administration funds legal services with intradepartmental fees.

Personnel Training – This fund accounts for fees charged to state agencies for training state employees. The fees are used by the Department of Administration to pay instructors and purchase training materials.

Debt Collection – The debt collection component of this fund accounts for fees charged for the collection of bad debts.

Prison Industries – These operations provide training and employment for inmates, where the products produced are primarily sold to other state agencies.

SABHRS Finance and Budget Bureau – This fund implements and maintains the State’s central accounting and budget software reporting system that is used by state agencies.

Other Internal Services – This category includes several small internal service funds administered by various agencies.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
 JUNE 30, 2008
 (amounts expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES	ADMIN INSURANCE
ASSETS					
Current assets:					
Cash/cash equivalents	\$ 64	\$ 3,505	\$ 26,112	\$ 3,386	\$ 21,948
Receivables (net)	12	167	4,595	63	45
Interfund loans receivable	-	-	-	483	-
Due from other funds	263	38	36	3,494	18
Due from component units	-	-	-	230	-
Inventories	-	1,659	-	-	-
Securities lending collateral	-	-	12,898	-	878
Other current assets	-	-	16	59	-
Total current assets	339	5,369	43,657	7,715	22,889
Noncurrent assets:					
Long-term investments	-	-	23,155	-	1,869
Capital assets:					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Buildings/improvements	-	-	-	793	-
Equipment	10,803	129,280	-	44,729	-
Construction in progress	-	5,870	-	-	-
Intangible assets	19	-	79	-	130
Less accumulated depreciation	(4,411)	(71,804)	-	(39,758)	-
Total capital assets	6,411	63,346	79	5,764	130
Total noncurrent assets	6,411	63,346	23,234	5,764	1,999
Total assets	6,750	68,715	66,891	13,479	24,888
LIABILITIES					
Current liabilities:					
Accounts payable	459	2,464	2,929	5,806	508
Interfund loans payable	490	-	-	-	-
Due to other funds	1	1	5	58	66
Due to component units	-	2	-	17	27
Deferred revenue	-	-	975	87	-
Lease/installment purchase payable	-	-	-	-	-
Securities lending liability	-	-	12,898	-	878
Estimated insurance claims	-	-	8,787	-	4,655
Compensated absences payable	4	368	19	657	51
Total current liabilities	954	2,835	25,613	6,625	6,185
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	-
Lease/installment purchase payable	-	-	-	-	-
Estimated insurance claims	-	-	1,313	-	11,843
Compensated absences payable	9	527	45	1,222	115
OPEB implicit rate subsidy	9	389	36	543	46
Total noncurrent liabilities	18	916	1,394	1,765	12,004
Total liabilities	972	3,751	27,007	8,390	18,189
NET ASSETS					
Invested in capital assets, net of related debt	6,412	63,346	79	5,764	130
Unrestricted	(634)	1,618	39,805	(675)	6,569
Total net assets	\$ 5,778	\$ 64,964	\$ 39,884	\$ 5,089	\$ 6,699

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ 280	\$ 414	\$ 242	\$ 2,545	\$ 242	\$ 789	\$ 384	\$ 309
69	-	60	-	-	-	-	-
225	-	-	-	-	-	100	-
199	539	651	57	-	364	-	363
9	12	16	-	-	28	2	-
305	24	136	-	-	-	-	-
-	-	-	-	-	-	-	-
8	-	562	-	1	3	1	-
1,095	989	1,667	2,602	243	1,184	487	672
-	-	-	-	-	-	-	-
-	236	-	-	-	-	-	-
-	-	-	95	-	-	-	-
-	-	-	32	-	-	-	-
115	17,629	1,826	454	-	280	78	-
-	-	-	33	-	-	-	-
-	-	-	-	-	49	2	-
(101)	(7,253)	(1,040)	(220)	-	(186)	(12)	-
14	10,612	786	394	-	143	68	-
14	10,612	786	394	-	143	68	-
1,109	11,601	2,453	2,996	243	1,327	555	672
235	453	260	539	54	199	77	118
-	801	-	-	-	-	-	-
2	2,363	13	11	4	11	9	23
2	-	-	-	1	-	-	-
-	-	-	-	-	-	-	-
-	-	29	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
22	21	73	70	25	180	67	62
261	3,638	375	620	84	390	153	203
-	6,872	-	-	-	-	-	-
-	-	59	-	-	-	-	-
-	-	-	-	-	-	-	-
47	21	87	93	117	269	127	103
28	20	110	90	39	165	55	74
75	6,913	256	183	156	434	182	177
336	10,551	631	803	240	824	335	380
14	10,612	786	394	-	144	68	-
759	(9,562)	1,036	1,799	3	359	152	292
\$ 773	\$ 1,050	\$ 1,822	\$ 2,193	\$ 3	\$ 503	\$ 220	\$ 292

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

INTERNAL SERVICE FUNDS

JUNE 30, 2008

(amounts expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION
ASSETS					
Current assets:					
Cash/cash equivalents	\$ 653	\$ 259	\$ 97	\$ 1,009	\$ 257
Receivables (net)	4	-	-	-	-
Interfund loans receivable	-	-	-	-	-
Due from other funds	408	3	77	37	220
Due from component units	2	-	20	38	-
Inventories	-	-	37	-	-
Securities lending collateral	-	-	-	-	-
Other current assets	1	-	-	34	-
Total current assets	1,068	262	231	1,118	477
Noncurrent assets:					
Long-term investments	-	-	-	-	-
Capital assets:					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Buildings/improvements	-	-	-	-	-
Equipment	544	-	149	10	62
Construction in progress	-	-	-	-	-
Intangible assets	12	471	-	-	-
Less accumulated depreciation	(329)	-	(55)	(6)	(32)
Total capital assets	227	471	94	4	30
Total noncurrent assets	227	471	94	4	30
Total assets	1,295	733	325	1,122	507
LIABILITIES					
Current liabilities:					
Accounts payable	259	120	23	216	102
Interfund loans payable	-	-	-	-	-
Due to other funds	84	86	63	9	52
Due to component units	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Lease/installment purchase payable	-	-	14	-	-
Securities lending liability	-	-	-	-	-
Estimated insurance claims	-	-	-	-	-
Compensated absences payable	175	60	5	93	26
Total current liabilities	518	266	105	318	180
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	-
Lease/installment purchase payable	-	-	57	-	-
Estimated insurance claims	-	-	-	-	-
Compensated absences payable	245	47	15	203	69
OPEB implicit rate subsidy	164	82	19	87	35
Total noncurrent liabilities	409	129	91	290	104
Total liabilities	927	395	196	608	284
NET ASSETS					
Invested in capital assets, net of related debt	227	471	94	3	30
Unrestricted	141	(133)	35	511	193
Total net assets	\$ 368	\$ 338	\$ 129	\$ 514	\$ 223

	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	SABHRS FINANCE & BUDGET BUREAU	TOTAL
\$	72	\$ 29	\$ 270	\$ 627	\$ 95	\$ 536	\$ 64,124
	-	10	-	44	-	-	5,069
	-	-	-	-	-	-	808
	168	15	-	372	4	-	7,326
	3	1	2	-	-	-	363
	-	-	-	139	114	-	2,414
	-	-	-	-	-	-	13,776
	-	-	-	-	-	-	685
	243	55	272	1,182	213	536	94,565
	-	-	-	-	-	-	25,024
	-	-	-	-	-	-	236
	-	-	-	-	-	-	95
	-	-	-	2,820	-	-	3,645
	-	-	-	1,273	93	66	207,391
	-	-	-	-	-	533	6,436
	-	-	-	-	-	242	1,004
	-	-	-	(1,374)	(73)	(59)	(126,713)
	-	-	-	2,719	20	782	92,094
	-	-	-	2,719	20	782	117,118
	243	55	272	3,901	233	1,318	211,683
	73	18	15	95	22	89	15,133
	-	-	-	18	3	-	1,312
	16	1	1	72	-	138	3,089
	-	-	-	-	-	-	49
	-	2	-	10	-	-	1,074
	-	-	-	-	-	-	43
	-	-	-	-	-	-	13,776
	-	-	-	-	-	-	13,442
	51	12	2	39	3	110	2,195
	140	33	18	234	28	337	50,113
	-	-	-	-	-	-	6,872
	-	-	-	-	-	-	116
	-	-	-	-	-	-	13,156
	147	22	2	41	3	129	3,705
	48	10	6	77	6	50	2,188
	195	32	8	118	9	179	26,037
	335	65	26	352	37	516	76,150
	-	-	-	2,719	21	781	92,095
	(92)	(10)	246	830	175	21	43,438
\$	(92)	\$ (10)	\$ 246	\$ 3,549	\$ 196	\$ 802	\$ 135,533

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES	ADMIN INSURANCE
Operating revenues:					
Charges for services	\$ 2,803	\$ 27,434	\$ 68	\$ 34,785	\$ -
Investment earnings	-	-	1,836	-	1,114
Securities lending income	-	-	131	-	36
Contributions/premiums	-	-	113,849	-	12,350
Grants/contracts/donations	-	-	1,555	-	-
Other operating revenues	-	160	1,229	109	-
Total operating revenues	2,803	27,594	118,668	34,894	13,500
Operating expenses:					
Personal services	109	6,995	795	13,559	885
Contractual services	106	458	5,946	2,100	4,698
Supplies/materials	1,362	8,440	48	1,905	19
Benefits/claims	9	389	104,606	543	10,402
Depreciation	453	5,866	-	2,680	-
Amortization	7	-	49	-	28
Utilities/rent	26	138	74	8,996	68
Communications	5	9	55	6,152	17
Travel	10	39	7	209	21
Repair/maintenance	692	3,283	-	2,152	6
Interest expense	-	-	-	-	-
Securities lending expense	-	-	107	-	28
Other operating expenses	3	239	601	892	96
Total operating expenses	2,782	25,856	112,288	39,188	16,268
Operating income (loss)	21	1,738	6,380	(4,294)	(2,768)
Nonoperating revenues (expenses):					
Insurance proceeds	-	-	-	-	97
Gain (loss) on sale of capital assets	(76)	61	-	-	-
Federal indirect cost recoveries	-	-	-	-	-
Total nonoperating revenues (expenses)	(76)	61	-	-	97
Income (loss) before contributions and transfers	(55)	1,799	6,380	(4,294)	(2,671)
Capital contributions	-	632	-	-	-
Transfers in	136	659	-	-	1,681
Transfers out	-	-	-	-	(942)
Change in net assets	81	3,090	6,380	(4,294)	(1,932)
Total net assets - July 1 - as previously reported	5,705	62,005	33,504	9,945	8,631
Prior period adjustments	(8)	(131)	-	(562)	-
Total net assets - July 1 - as restated	5,697	61,874	33,504	9,383	8,631
Total net assets - June 30	\$ 5,778	\$ 64,964	39,884	\$ 5,089	\$ 6,699

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ 4,995	\$ 5,904	\$ 10,688	\$ 10,467	\$ 985	\$ 3,261	\$ 25	\$ 822
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2	-	-	-	-	1,290	6
4,995	5,906	10,688	10,467	985	3,261	1,315	828
396	337	1,410	1,517	855	2,940	1,138	1,295
42	352	87	2,932	43	821	33	312
4,417	2,070	4,621	131	26	125	45	99
28	20	110	90	39	165	55	74
1	2,518	213	33	-	20	8	-
-	-	-	-	-	-	2	-
100	87	218	2,580	39	207	91	263
18	2	3,588	26	14	43	20	77
-	-	-	1	8	32	31	21
2	296	473	1,064	3	20	7	22
-	277	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23	45	103	171	17	247	13	30
5,027	6,004	10,823	8,545	1,044	4,620	1,443	2,193
(32)	(98)	(135)	1,922	(59)	(1,359)	(128)	(1,365)
-	23	-	738	-	-	-	-
-	(69)	(10)	2	-	(5)	-	-
-	-	-	-	-	1,659	198	859
-	(46)	(10)	740	-	1,654	198	859
(32)	(144)	(145)	2,662	(59)	295	70	(506)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(1,061)	-	-	-	-
(32)	(144)	(145)	1,601	(59)	295	70	(506)
805	1,194	1,967	590	62	181	150	798
-	-	-	2	-	27	-	-
805	1,194	1,967	592	62	208	150	798
\$ 773	\$ 1,050	\$ 1,822	\$ 2,193	\$ 3	\$ 503	\$ 220	\$ 292

(Continued on Next Page)

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION
Operating revenues:					
Charges for services	\$ 3,273	\$ 3,290	\$ 1,211	\$ 4,586	\$ 1,233
Investment earnings	-	-	-	-	-
Securities lending income	-	-	-	-	-
Contributions/premiums	9	-	-	-	-
Grants/contracts/donations	-	-	-	-	8
Other operating revenues	19	-	-	-	1
Total operating revenues	3,301	3,290	1,211	4,586	1,242
Operating expenses:					
Personal services	3,264	1,667	216	2,360	915
Contractual services	595	1,102	202	1,078	55
Supplies/materials	254	20	25	52	385
Benefits/claims	164	82	19	87	35
Depreciation	78	-	22	-	4
Amortization	6	182	-	-	-
Utilities/rent	1,209	53	16	151	131
Communications	44	42	552	51	10
Travel	39	7	-	54	25
Repair/maintenance	15	388	22	1	549
Interest expense	-	-	8	-	-
Securities lending expense	-	-	-	-	-
Other operating expenses	108	49	14	568	7
Total operating expenses	5,776	3,592	1,096	4,402	2,116
Operating income (loss)	(2,475)	(302)	115	184	(874)
Nonoperating revenues (expenses):					
Insurance proceeds	-	-	-	-	-
Gain (loss) on sale of capital assets	(4)	-	-	-	-
Federal indirect cost recoveries	2,015	-	-	-	-
Total nonoperating revenues (expenses)	2,011	-	-	-	-
Income (loss) before contributions and transfers	(464)	(302)	115	184	(874)
Capital contributions	-	1,586	-	-	-
Transfers in	-	-	-	-	977
Transfers out	(69)	-	-	-	-
Change in net assets	(533)	1,284	115	184	103
Total net assets - July 1 - as previously reported	898	(1,508)	14	330	120
Prior period adjustments (Note 3)	3	562	-	-	-
Total net assets - July 1 - as restated	901	(946)	14	330	120
Total net assets - June 30	\$ 368	\$ 338	\$ 129	\$ 514	\$ 223

JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	SABHRS FINANCE & BUDGET BUREAU	TOTAL
\$ 1,324	\$ 321	\$ 96	\$ 3,772	\$ 173	\$ 4,117	\$ 125,633
-	-	-	-	-	-	2,950
-	-	-	-	-	-	167
-	-	-	-	-	-	126,208
-	-	-	-	-	-	1,563
-	-	-	-	-	2	2,818
1,324	321	96	3,772	173	4,119	259,339
1,071	187	67	1,099	137	1,018	44,232
79	38	7	35	8	1,770	22,899
24	34	1	2,443	130	38	26,714
48	10	6	77	6	50	117,114
-	-	-	218	7	-	12,121
-	-	-	-	-	105	379
63	34	2	116	7	24	14,693
13	4	6	2	1	9	10,760
7	16	-	4	-	21	552
5	2	-	45	16	531	9,594
-	-	-	-	-	-	285
-	-	-	-	-	-	135
8	6	3	7	1	75	3,326
1,318	331	92	4,046	313	3,641	262,804
6	(10)	4	(274)	(140)	478	(3,465)
-	-	-	-	-	-	858
-	-	-	-	-	-	(101)
-	-	-	-	158	-	4,889
-	-	-	-	158	-	5,646
6	(10)	4	(274)	18	478	2,181
-	-	-	-	-	508	2,726
-	-	-	-	-	-	3,453
-	-	-	-	(4)	(1,586)	(3,662)
6	(10)	4	(274)	14	(600)	4,698
(98)	-	242	3,823	182	(184)	129,356
-	-	-	-	-	1,586	1,479
(98)	-	242	3,823	182	1,402	130,835
\$ (92)	\$ (10)	\$ 246	\$ 3,549	\$ 196	\$ 802	\$ 135,533

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES	ADMIN INSURANCE
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from sales and services	\$ 2,755	\$ 27,408	\$ 114,077	\$ 34,328	\$ 12,407
Payments to suppliers for goods and services	(2,085)	(11,542)	(6,674)	(17,615)	(4,979)
Payments to employees	(105)	(6,527)	(767)	(14,311)	(855)
Grant receipts	-	-	1,555	-	-
Cash payments for claims	-	-	(106,717)	-	(8,863)
Other operating revenues	-	-	1,114	108	-
Net cash provided by (used for) operating activities	565	9,339	2,588	2,510	(2,290)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of principal and interest on bonds and notes	-	-	-	-	-
Transfers to other funds	-	-	-	-	(942)
Transfers from other funds	136	659	42	-	1,681
Proceeds from interfund loans/advances	(85)	-	-	(609)	-
Payment of interfund loans/advances	-	(900)	-	-	-
Contributed capital transfers from other funds	-	-	-	-	-
Residual equity transfers to other funds	-	-	-	184	-
Net cash provided by (used for) noncapital financing activities	51	(241)	42	(425)	739
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from insurance	-	-	-	-	98
Acquisition of capital assets	(737)	(6,532)	-	(2,661)	(70)
Proceeds from sale of capital assets	21	203	-	-	-
Net cash used for capital and related financing activities	(716)	(6,329)	-	(2,661)	28
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	-	(18,407)	-	(1,868)
Proceeds from securities lending transactions	-	-	123	-	36
Interest and dividends on investments	-	-	1,881	-	1,114
Payment of securities lending costs	-	-	(107)	-	(29)
Net cash provided by (used for) investing activities	-	-	(16,510)	-	(747)
Net increase (decrease) in cash and cash equivalents	(100)	2,769	(13,880)	(576)	(2,270)
Cash and cash equivalents, July 1	164	736	39,992	3,962	24,218
Cash and cash equivalents, June 30	\$ 64	\$ 3,505	\$ 26,112	\$ 3,386	\$ 21,948

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ 4,926	\$ 5,712	\$ 10,718	\$ 10,511	\$ 985	\$ 3,034	\$ 23	\$ 767
(4,474)	(2,639)	(9,166)	(6,739)	(144)	(1,495)	(169)	(836)
(387)	(314)	(1,482)	(1,473)	(817)	(3,059)	(1,125)	(1,332)
-	-	-	-	-	1,594	209	978
-	-	-	-	-	-	-	-
-	2	-	-	-	-	1,290	6
65	2,761	70	2,299	24	74	228	(417)
-	(388)	-	-	-	-	-	-
-	-	-	(1,061)	-	-	(100)	(1)
-	-	-	-	-	-	-	-
-	2,427	-	-	-	-	-	-
-	(2,735)	-	-	-	-	-	-
-	23	-	738	-	-	-	-
-	-	-	-	-	-	-	-
-	(673)	-	(323)	-	-	(100)	(1)
-	-	-	-	-	-	-	-
-	(2,090)	(54)	(48)	-	(90)	(71)	-
-	321	3	-	-	-	-	-
-	(1,769)	(51)	(48)	-	(90)	(71)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
65	319	19	1,928	24	(16)	57	(418)
215	95	223	617	218	805	327	727
\$ 280	\$ 414	\$ 242	\$ 2,545	\$ 242	\$ 789	\$ 384	\$ 309

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from sales and services	\$ 3,188	\$ 3,287	\$ 1,190	\$ 4,564
Payments to suppliers for goods and services	(2,190)	(1,557)	(866)	(1,868)
Payments to employees	(3,211)	(1,584)	(216)	(2,452)
Grant receipts	1,967	-	-	-
Cash payments for claims	-	-	-	-
Other operating revenues	19	-	-	-
Net cash provided by (used for) operating activities	(227)	146	108	244
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payment of principal and interest on bonds and notes	-	-	-	-
Transfers to other funds	-	-	-	-
Transfers from other funds	(69)	-	-	-
Proceeds from interfund loans/advances	-	-	-	-
Payment of interfund loans/advances	-	-	-	-
Contributed capital transfers from other funds	(2)	1,586	-	-
Residual equity transfers to other funds	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(71)	1,586	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from insurance	-	-	-	-
Acquisition of capital assets	49	(1,585)	(11)	(3)
Proceeds from sale of capital assets	-	-	-	-
Net cash used for capital and related financing activities	49	(1,585)	(11)	(3)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	-
Proceeds from securities lending transactions	-	-	-	-
Interest and dividends on investments	-	-	-	-
Payment of securities lending costs	-	-	-	-
Net cash provided by (used for) investing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(249)	147	97	241
Cash and cash equivalents, July 1	902	112	-	768
Cash and cash equivalents, June 30	\$ 653	\$ 259	\$ 97	\$ 1,009

AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	SABHRS FINANCE & BUDGET BUREAU	TOTAL
\$ 1,203	\$ 1,240	\$ 306	\$ 94	\$ 3,715	\$ 179	\$ 4,117	\$ 250,734
(1,132)	(200)	(127)	(7)	(2,770)	(134)	(2,314)	(81,722)
(919)	(1,016)	(182)	(10)	(1,078)	(146)	(706)	(44,074)
-	-	-	-	-	-	-	6,303
-	-	-	-	-	-	-	(115,580)
1	-	-	-	-	-	2	2,542
(847)	24	(3)	77	(133)	(101)	1,099	18,203
-	-	-	-	-	-	-	(388)
-	-	-	-	-	(4)	(1,586)	(3,694)
976	-	-	-	-	158	-	3,583
-	-	-	-	18	1	-	1,752
-	-	-	-	-	-	-	(3,635)
8	-	-	-	-	-	508	2,861
-	-	-	-	-	-	(184)	-
984	-	-	-	18	155	(1,262)	479
-	-	-	-	-	-	-	98
(21)	-	-	-	(30)	-	596	(13,358)
-	-	-	-	-	-	103	651
(21)	-	-	-	(30)	-	699	(12,609)
-	-	-	-	-	-	-	(20,275)
-	-	-	-	-	-	-	159
-	-	-	-	-	-	-	2,995
-	-	-	-	-	-	-	(136)
-	-	-	-	-	-	-	(17,257)
116	24	(3)	77	(145)	54	536	(11,184)
141	48	32	193	772	40	-	75,307
\$ 257	\$ 72	\$ 29	\$ 270	\$ 627	\$ 94	\$ 536	\$ 64,123

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES	ADMIN INSURANCE
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 21	\$ 1,738	\$ 6,380	\$ (4,294)	\$ (2,768)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	453	5,866	-	2,680	-
Amortization	7	-	49	-	28
Interest expense	-	-	-	-	-
Securities lending expense	-	-	107	-	28
Investment earnings	-	-	(1,836)	-	(1,114)
Securities lending income	-	-	(131)	-	(36)
Federal indirect cost recoveries	-	-	-	-	-
Change in assets and liabilities:					
Decr (incr) in accounts receivable	1	(155)	14	14	57
Decr (incr) in due from other funds	(51)	(31)	(36)	(687)	(13)
Decr (incr) in due from component units	-	-	1	34	1
Decr (incr) in due from other governments	1	-	-	-	-
Decr (incr) in inventories	-	(32)	-	-	-
Decr (incr) in other assets	5	-	(7)	29	-
Incr (decr) in accounts payable	118	1,553	387	4,160	90
Incr (decr) in due to other funds	(2)	-	(1)	(36)	18
Incr (decr) in due to component units	-	2	-	4	(28)
Incr (decr) in deferred revenue	-	-	48	-	-
Incr (decr) in amounts held in custody for others	-	-	-	-	-
Incr (decr) in compensated absences payable	3	9	21	63	24
Incr (decr) in OPEB implicit rate subsidy	9	389	-	543	46
Incr (decr) in estimated claims	-	-	(2,408)	-	1,377
Net cash provided by (used for) operating activities	\$ 565	\$ 9,339	\$ 2,588	\$ 2,510	\$ (2,290)
Schedule of noncash transactions:					
Capital contributions from other funds	\$ -	\$ 632	\$ -	\$ -	-
Total noncash transactions	\$ -	\$ 632	\$ -	\$ -	-

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ (32)	\$ (98)	\$ (135)	\$ 1,922	\$ (59)	\$ (1,359)	\$ (128)	\$ (1,365)
1	2,518	213	33	-	20	8	-
-	-	-	-	-	-	2	-
-	277	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,659	198	859
(1)	-	(18)	-	-	-	-	-
(22)	(184)	18	(21)	-	(284)	66	65
(2)	(7)	45	-	-	(6)	9	1
-	-	-	-	-	-	-	-
75	(1)	(23)	-	-	-	-	-
(1)	-	(243)	-	-	41	-	-
11	196	77	198	11	(64)	7	(35)
(1)	38	(2)	10	1	(31)	4	(29)
2	-	-	-	1	-	-	-
-	-	-	25	-	-	-	-
-	-	-	-	-	-	-	-
7	2	28	42	31	(67)	7	13
28	20	110	90	39	165	55	74
-	-	-	-	-	-	-	-
\$ 65	\$ 2,761	\$ 70	\$ 2,299	\$ 24	\$ 74	\$ 228	\$ (417)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (2,475)	\$ (302)	\$ 115	\$ 184
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	78	-	22	-
Amortization	6	182	-	-
Interest expense	-	-	-	-
Securities lending expense	-	-	-	-
Investment earnings	-	-	-	-
Securities lending income	-	-	-	-
Federal indirect cost recoveries	2,015	-	-	-
Change in assets and liabilities:				
Decr (incr) in accounts receivable	(3)	-	-	-
Decr (incr) in due from other funds	(156)	(3)	(18)	(11)
Decr (incr) in due from component units	5	-	(3)	(11)
Decr (incr) in due from other governments	-	-	-	-
Decr (incr) in inventories	-	-	20	-
Decr (incr) in other assets	(16)	-	-	39
Incr (decr) in accounts payable	50	78	(34)	(7)
Incr (decr) in due to other funds	53	77	(22)	(15)
Incr (decr) in due to component units	-	-	-	(8)
Incr (decr) in deferred revenue	-	-	-	-
Incr (decr) in amounts held in custody for others	-	-	-	-
Incr (decr) in compensated absences payable	52	32	9	(14)
Incr (decr) in OPEB implicit rate subsidy	164	82	19	87
Incr (decr) in estimated claims	-	-	-	-
Net cash provided by (used for) operating activities	\$ (227)	\$ 146	\$ 108	\$ 244
Schedule of noncash transactions:				
Capital contributions from other funds	\$ -	\$ -	\$ -	\$ -
Total noncash transactions	\$ -	\$ -	\$ -	\$ -

AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	SABHRS FINANCE & BUDGET BUREAU	TOTAL
\$ (874)	\$ 6	\$ (10)	\$ 4	\$ (274)	\$ (140)	\$ 478	\$ (3,465)
4	-	-	-	218	7	-	12,121
-	-	-	-	-	-	105	379
-	-	-	-	-	-	-	277
-	-	-	-	-	-	-	135
-	-	-	-	-	-	-	(2,950)
-	-	-	-	-	-	-	(167)
-	-	-	-	-	-	-	4,731
-	-	(6)	-	(11)	-	-	(108)
(97)	(83)	(10)	63	(93)	6	-	(1,582)
-	(2)	(1)	(2)	-	-	-	62
6	-	-	-	-	-	-	7
-	-	-	-	45	12	-	96
-	1	-	-	8	-	-	(144)
6	10	8	7	6	6	90	6,929
52	14	-	-	(122)	(1)	138	143
-	-	-	-	-	-	-	(27)
-	-	2	-	10	-	-	85
-	-	-	-	-	-	-	-
21	30	4	(1)	3	3	238	560
35	48	10	6	77	6	50	2,152
-	-	-	-	-	-	-	(1,031)
\$ (847)	\$ 24	\$ (3)	\$ 77	\$ (133)	\$ (101)	\$ 1,099	\$ 18,203
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632

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PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

These funds provide retirement, disability, death, and lump-sum payments to retirement system members. A brief description of each fund follows:

Public Employee Retirement System - Defined Benefit Retirement Plan – This fund provides retirement benefits to substantially all public employees not covered by another public system.

Municipal Police Officers Retirement System – This fund provides retirement benefits to all municipal police officers covered by the plan.

Firefighters Unified Retirement System – This fund provides retirement benefits for firefighters employed by first and second-class cities and other cities that wish to adopt the plan, and firefighters hired by the Montana Air National Guard.

Sheriffs Retirement System – This fund provides retirement benefits for sheriffs, detention officers, and State Department of Justice investigators.

Highway Patrol Officers Retirement System – This fund provides retirement benefits for all members of the Montana Highway Patrol.

Judges Retirement System – This fund provides retirement benefits for all district court judges, justices of the Supreme Court, and the Chief Water Judge.

Game Wardens & Peace Officers Retirement System – This fund provides retirement benefits for all persons employed as game wardens, supervisory personnel, and state peace officers.

Volunteer Firefighters Compensation Act – This fund provides medical benefits and pension, disability, and death benefits for all volunteer firefighters who are members of eligible volunteer fire companies in unincorporated areas of the State.

Public Employee Retirement System - Defined Contribution Retirement Plan – Members of the defined contribution retirement plan decide how to invest their contributions and a portion of their employer contributions in the available investment options.

Public Employee 457 Plan – All employees of the State, Montana University System, and contracting political subdivisions are eligible to participate in this plan. The 457 plan is a voluntary, tax-deferred retirement plan designed to supplement state service retirement, Social Security, and other retirement plans and savings.

Teachers Retirement System – This fund provides retirement services to all persons employed as teachers or professional staff of any public elementary or secondary school, or unit of the university system.

Voluntary Employee Benefit Association – This fund provides members with individual health care expense trust accounts to pay the qualified health care expenses of members and their dependents and beneficiaries.

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
JUNE 30, 2008
(amounts expressed in thousands)**

	PUBLIC EMPLOYEES RETIREMENT BOARD (PERB)					
	PUBLIC EMPLOYEES DEFINED BENEFIT	MUNICIPAL POLICE	FIRE- FIGHTERS UNIFIED	SHERIFFS	HIGHWAY PATROL	JUDGES
ASSETS						
Cash/cash equivalents	\$ 44,520	\$ 92	\$ 1,580	\$ 3,408	\$ 1,078	\$ 971
Receivables (net):						
Accounts receivable	1,247	119	99	203	-	-
Interest	9,443	469	451	459	235	143
Due from primary government	28	9,452	9,568	-	-	-
Due from other PERB plans	321	-	-	-	-	-
Long-term notes/loans receivable	69	-	-	-	-	-
Total receivables	11,108	10,040	10,118	662	235	143
Investments at fair value:						
Equity in pooled investments	3,754,073	190,496	183,002	184,521	94,882	57,593
Other investments	45,229	9	162	340	104	99
Total investments	3,799,302	190,505	183,164	184,861	94,986	57,692
Securities lending collateral	234,521	11,785	11,404	11,583	5,915	3,610
Capital assets:						
Land	-	-	-	-	-	-
Buildings/improvements	-	-	-	-	-	-
Equipment	5	-	-	-	-	-
Accumulated depreciation	(5)	-	-	-	-	-
Intangible assets	281	3	3	4	3	3
Total capital assets	281	3	3	4	3	3
Other assets	-	-	-	-	-	-
Total assets	4,089,732	212,425	206,269	200,518	102,217	62,419
LIABILITIES						
Accounts payable	444	-	-	18	-	-
Due to primary government	37	-	-	-	-	-
Due to other PERB plans	161	65	54	76	26	7
Deferred revenue	68	89	3	-	-	-
Securities lending liability	234,521	11,785	11,404	11,583	5,915	3,610
Compensated absences payable	253	-	-	-	-	-
OPEB implicit rate subsidy	72	2	1	2	1	-
Total liabilities	235,556	11,941	11,462	11,679	5,942	3,617
NET ASSETS						
Held in trust for pension benefits and other purposes	\$ 3,854,176	\$ 200,484	\$ 194,807	\$ 188,839	\$ 96,275	\$ 58,802

PUBLIC EMPLOYEES RETIREMENT BOARD (PERB)									
GAME WARDENS/ PEACE OFFICERS	VOLUNTEER FIRE- FIGHTERS	PUBLIC EMPLOYEES DEFINED CONTRIBUTION	PUBLIC EMPLOYEES 457 PLAN	TEACHERS RETIREMENT SYSTEM	VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION	TOTAL			
\$ 1,773	\$ 1,410	\$ 2,054	\$ 654	\$ 31,811	\$ 851	\$ 90,202			
-	-	-	2	18,946	-	20,616			
178	60	4	1	7,292	-	18,735			
-	-	-	-	3,241	-	22,289			
-	-	162	-	-	-	483			
-	-	-	-	-	-	69			
178	60	166	3	29,479	-	62,192			
71,182	24,443	-	-	2,893,545	-	7,453,737			
181	145	42,939	296,968	38,547	896	425,619			
71,363	24,588	42,939	296,968	2,932,092	896	7,879,356			
4,497	1,581	88	31	180,987	-	466,002			
-	-	-	-	35	-	35			
-	-	-	-	158	-	158			
-	-	-	-	64	-	69			
-	-	-	-	(193)	-	(198)			
3	2	4	14	252	-	572			
3	2	4	14	316	-	636			
-	-	-	-	1	853	854			
77,814	27,641	45,251	297,670	3,174,686	2,600	8,499,242			
18	-	198	212	86	-	976			
-	-	2	-	14	-	53			
49	44	1	-	-	-	483			
1	-	-	1	-	-	162			
4,497	1,581	88	31	180,987	-	466,002			
-	-	15	12	159	-	439			
1	1	7	5	47	-	139			
4,566	1,626	311	261	181,293	-	468,254			
\$ 73,248	\$ 26,015	\$ 44,940	\$ 297,409	\$ 2,993,393	\$ 2,600	\$ 8,030,988			

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)**

PUBLIC EMPLOYEES RETIREMENT BOARD (PERB)

	PUBLIC EMPLOYEES DEFINED BENEFIT	MUNICIPAL POLICE	FIRE- FIGHTERS UNIFIED	SHERIFFS	HIGHWAY PATROL	JUDGES
ADDITIONS						
Contributions/premiums:						
Employer	\$ 72,242	\$ 5,156	\$ 4,467	\$ 4,834	\$ 3,949	\$ 1,315
Employee	72,680	2,968	3,152	4,776	1,082	386
Other contributions	599	9,457	9,568	38	289	-
Net investment earnings:						
Investment earnings	(179,440)	(9,384)	(8,892)	(8,760)	(4,491)	(2,727)
Administrative investment expense	(19,841)	(993)	(950)	(949)	(495)	(299)
Securities lending income	12,314	628	600	603	311	189
Securities lending expense	(10,064)	(513)	(491)	(493)	(254)	(154)
Charges for services	-	-	-	-	-	-
Other additions	-	-	-	-	-	-
Total additions	(51,510)	7,319	7,454	49	391	(1,290)
DEDUCTIONS						
Benefits	180,887	13,708	13,355	7,245	6,814	1,829
Refunds	12,783	4,293	116	733	75	-
Administrative expenses:						
Personal services	1,549	6	-	-	-	-
Contractual services	747	5	-	2	1	1
Supplies/materials	52	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Amortization	64	1	1	1	1	1
Utilities/rent	199	-	-	-	-	-
Communications	112	-	-	-	-	-
Travel	34	-	-	-	-	-
Repair/maintenance	1	-	-	-	-	-
Other operating expenses	-	65	54	76	26	7
Local assistance	-	-	-	-	-	-
Transfers to ORP	250	-	-	-	-	-
Transfers to PERS-DCRP	1,077	-	-	-	-	-
Total deductions	197,755	18,078	13,526	8,057	6,917	1,838
Change in net assets	(249,265)	(10,759)	(6,072)	(8,008)	(6,526)	(3,128)
Net assets - July 1 - as previously reported	4,103,436	211,243	200,879	196,847	102,801	61,930
Prior period adjustments	5	-	-	-	-	-
Net assets - July 1 - as restated	4,103,441	211,243	200,879	196,847	102,801	61,930
Net assets - June 30	\$ 3,854,176	\$ 200,484	\$ 194,807	\$ 188,839	\$ 96,275	\$ 58,802

PUBLIC EMPLOYEES RETIREMENT BOARD (PERB)						
GAME WARDENS/ PEACE OFFICERS	VOLUNTEER FIRE- FIGHTERS	PUBLIC EMPLOYEES DEFINED CONTRIBUTION	PUBLIC EMPLOYEES 457 PLAN	TEACHERS RETIREMENT SYSTEM	VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION	TOTAL
\$ 2,979	\$ -	\$ 3,255	\$ 71	\$ 67,922	\$ 749	\$ 166,939
3,595	-	5,118	19,107	59,553	-	172,417
18	1,562	-	-	13,492	-	35,023
(3,334)	(1,161)	(2,988)	3,854	(139,628)	357	(356,594)
(361)	(129)	-	(567)	(15,426)	-	(40,010)
229	81	2	1	9,544	-	24,502
(187)	(66)	(2)	(1)	(7,803)	-	(20,028)
-	-	216	416	-	-	632
-	-	338	-	16	-	354
2,939	287	5,939	22,881	(12,330)	1,106	(16,765)
2,272	1,718	2,526	13,307	196,108	-	439,769
672	-	-	-	5,695	-	24,367
-	-	133	96	964	-	2,748
1	-	83	76	427	-	1,343
-	-	5	3	23	-	83
-	-	-	-	20	-	20
1	1	1	46	76	-	194
-	-	15	10	58	-	282
-	-	3	5	37	-	157
-	-	5	5	22	-	66
-	-	-	-	50	-	51
52	44	216	813	72	-	1,425
-	14	-	-	-	-	14
-	-	-	-	-	-	250
-	-	-	-	-	-	1,077
2,998	1,777	2,987	14,361	203,552	-	471,846
(59)	(1,490)	2,952	8,520	(215,882)	1,106	(488,611)
73,307	27,505	41,988	288,889	3,209,275	1,494	8,519,594
-	-	-	-	-	-	5
73,307	27,505	41,988	288,889	3,209,275	1,494	8,519,599
\$ 73,248	\$ 26,015	\$ 44,940	\$ 297,409	\$ 2,993,393	\$ 2,600	\$ 8,030,988

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PRIVATE-PURPOSE TRUST FUNDS

Private-purpose trust funds are used to account for assets held by the State in a trustee capacity, where both the trust principal and earnings benefit individuals, private organizations, or other governments. A brief description of each private-purpose trust fund follows:

College Savings Plan – This fund accounts for monies contributed towards a “qualified tuition program” under section 529 of the Internal Revenue Code of 1986, as amended. This plan is a voluntary college savings plan whose participants are both Montana residents and out-of-state individuals.

Escheated Property – This fund accounts for property that has reverted to the State due to the absence of legal claimants or heirs and is held in trust for distribution to these heirs when identified.

Plan 1 Securities – This fund accounts for the unliquidated security bonds held on deposit from self-insured employers. These funds either revert to the employer at a later date or are cashed and assumed by the State to be used on the employee’s behalf.

Woodville Highway Replacement – This fund accounts for money paid to the Montana Department of Transportation by the Anaconda Company to provide the government of Butte-Silver Bow with traffic facilities. This money is held on deposit for the city/county government and is distributed to them at their request.

Moore-Sipple Connector – Money is held in trust to ensure the continued operation of the Moore-Sipple Connector. The balance in this fund reverts to the railroad company if the line is in operation until 2010. As the result of a court order, until this date is reached, the interest earnings on this money are provided to Central Montana Rail, Inc. for use in operating the railroad.

Environmental Reclamation – This fund accounts for environmental reclamation bonds held in trust to be either returned to the company upon successful reclamation of mining properties and related impacts or to be used by the State to complete the related reclamation process.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2008
 (amounts expressed in thousands)

	COLLEGE SAVINGS PLAN	ESCHEATED PROPERTY	PLAN 1 SECURITIES	WOODVILLE HIGHWAY REPLACEMENT
ASSETS				
Cash/cash equivalents	\$ 123,359	\$ 1,047	\$ -	\$ 42
Receivables (net):				
Interest	-	2	-	-
Total receivables	-	2	-	-
Investments at fair value:				
Other investments	119,057	97	-	5
Total investments	119,057	97	-	5
Securities lending collateral	-	46	-	2
Other assets	-	-	10,641	-
Total assets	242,416	1,192	10,641	49
LIABILITIES				
Accounts payable	-	3	-	-
Securities lending liability	-	46	-	2
Total liabilities	-	49	-	2
NET ASSETS				
Held in trust for other purposes	\$ 242,416	\$ 1,143	\$ 10,641	\$ 47

	MOORE- SIPPLE CONNECTOR		ENVIRONMENTAL RECLAMATION		TOTAL
\$	218	\$	3,887	\$	128,553
	-		9		11
	-		9		11
	22		105		119,286
	22		105		119,286
	10		49		107
	-		3,037		13,678
	250		7,087		261,635
	-		7		10
	10		49		107
	10		56		117
\$	240	\$	7,031	\$	261,518

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
 (amounts expressed in thousands)

	COLLEGE SAVINGS PLAN	ESCHEATED PROPERTY	PLAN 1 SECURITIES	WOODVILLE HIGHWAY REPLACEMENT
ADDITIONS				
Participant contributions	\$ 52,153	\$ -	\$ 5,472	\$ -
Net investment earnings:				
Investment earnings	5,334	37	-	2
Securities lending income	-	1	-	-
Securities lending expense	-	(1)	-	-
Other additions	-	2,009	-	-
Total additions	57,487	2,046	5,472	2
DEDUCTIONS				
Distributions	19,670	1,819	-	-
Administrative expenses:				
Grants	-	-	-	-
Contractual services	959	-	-	-
Total deductions	20,629	1,819	-	-
Change in net assets	36,858	227	5,472	2
Net assets - July 1 - as previously reported	205,558	916	5,169	45
Net assets - July 1 - as restated	205,558	916	5,169	45
Net assets - June 30	\$ 242,416	\$ 1,143	\$ 10,641	\$ 47

	MOORE- SIPPLE CONNECTOR		ENVIRONMENTAL RECLAMATION		TOTAL
\$	-	\$	-	\$	57,625
	10		32		5,415
	-		1		2
	-		(1)		(2)
	-		1,444		3,453
	10		1,476		66,493
	-		596		22,085
	12		-		12
	-		-		959
	12		596		23,056
	(2)		880		43,437
	242		6,151		218,081
	242		6,151		218,081
\$	240	\$	7,031	\$	261,518

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AGENCY FUNDS

Agency funds are used to account for assets held by the State as an agent for individuals, private organizations, and other governments. A brief description of each agency fund follows:

Performance Deposits – This fund accounts for deposits held by the State pending compliance with performance agreements.

Central Payroll – This fund accounts for the accumulation of state employee payroll and withholding by the Department of Administration, pending remittance to employees and other appropriate third parties.

Criminal Offender Restitution – Accounts for restitution payments received from prisoners and disbursed to their victims.

Custodial Accounts – This fund accounts for monies belonging to state institution residents, students of the School for the Deaf and Blind, and participants in the foster children and protective services programs. The fund also accounts for balances held by the Office of the Commissioner of Higher Education for remittance, on behalf of eligible employees of the Montana University System, to the TIAA-CREF (Teachers Insurance and Annuity Association-College Retirement Equities Fund) retirement fund. Department of Transportation employee union pension monies are held in this fund, awaiting remittance to the corresponding union. This fund also accounts for wages collected from employers on behalf of employee wage complaints filed under authority of the Montana Wages and Wage Protection Act.

Child Support Collections – This fund accounts for payments from parents under the Child Support Enforcement Program administered by the Department of Public Health and Human Services.

Uncleared Collections – This fund accounts for resources held pending distribution to other funds and local governments. The balances in this fund related to other fund types are distributed to those funds each fiscal year-end. Balances remaining relate to external parties.

Intergovernmental – This fund accounts for resources that flow through state agencies to federal and local governments.

Debt Collection – This fund accounts for amounts due to the State which have been written off as uncollectible by the receiving agency. The Department of Revenue continues to attempt to collect amounts owing for a period of time after they are deemed uncollectible by the receiving agency.

Milk Passthrough – This fund accounts for the distribution of the proceeds from the sale of pooled milk.

OPEB State – This fund accounts for the State's employee contributions received and premium payments made during the year for OPEB (Other Postemployment Benefits).

OPEB MUS – This fund accounts for the Montana University System's (MUS) employee contributions received and premium payments made during the year for OPEB (Other Postemployment Benefits).

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

JUNE 30, 2008

(amounts amounts expressed in thousands)

	PERFORMANCE DEPOSITS	CENTRAL PAYROLL	CRIMINAL OFFENDER RESTITUTION	CUSTODIAL ACCOUNTS	CHILD SUPPORT COLLECTIONS
ASSETS					
Cash/cash equivalents	\$ 2,029	\$ 497	\$ 143	\$ 1,304	\$ 842
Receivables (net):					
Accounts receivable	-	-	-	26	276
Interest receivable	-	-	-	1	-
Total receivables	-	-	-	27	276
Investments at fair value:					
Other investments	-	-	-	24	-
Total investments	-	-	-	24	-
Securities lending collateral	-	-	-	12	-
Other assets	13,332	-	-	-	-
Total assets	15,361	497	143	1,367	1,118
LIABILITIES					
Accounts payable	17	-	21	9	238
Amounts held in custody for others	15,344	497	122	1,346	880
Securities lending liability	-	-	-	12	-
Total liabilities	15,361	497	143	1,367	1,118
NET ASSETS					
Held in trust for pension benefits and other purposes	\$ -	\$ -	\$ -	\$ -	\$ -

UNCLEARED COLLECTIONS	INTER- GOVERNMENTAL	DEBT COLLECTION	MILK PASS- THROUGH	TOTAL
\$ 233	\$ 132	\$ 128	\$ 61	\$ 5,369
-	-	13	-	315
-	-	-	-	1
-	-	13	-	316
-	-	-	-	24
-	-	-	-	24
-	-	-	-	12
-	-	-	-	13,332
233	132	141	61	19,053
230	87	1	50	653
3	45	140	11	18,388
-	-	-	-	12
233	132	141	61	19,053
\$ -	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

FUND	BALANCE JUNE 30, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
PERFORMANCE DEPOSITS:				
ASSETS				
Cash/cash equivalents	\$ 2,078	\$ 95,294	\$ 95,343	\$ 2,029
Receivables (net)	-	10	10	-
Other assets	12,374	1,177	219	13,332
Total assets	<u>\$ 14,452</u>	<u>\$ 96,481</u>	<u>\$ 95,572</u>	<u>\$ 15,361</u>
LIABILITIES				
Accounts payable	\$ 26	\$ 1,527	\$ 1,536	\$ 17
Amounts held in custody for others	14,426	6,005	5,087	15,344
Total liabilities	<u>\$ 14,452</u>	<u>\$ 7,532</u>	<u>\$ 6,623</u>	<u>\$ 15,361</u>
CENTRAL PAYROLL:				
ASSETS				
Cash/cash equivalents	\$ 1,863	\$ 779,000	\$ 780,366	\$ 497
Receivables (net)	-	1	1	-
Total assets	<u>\$ 1,863</u>	<u>\$ 779,001</u>	<u>\$ 780,367</u>	<u>\$ 497</u>
LIABILITIES				
Accounts payable	\$ -	\$ 10,706	\$ 10,706	\$ -
Amounts held in custody for others	1,863	779,062	780,428	497
Total liabilities	<u>\$ 1,863</u>	<u>\$ 789,768</u>	<u>\$ 791,134</u>	<u>\$ 497</u>
CRIMINAL OFFENDER RESTITUTION:				
ASSETS				
Cash/cash equivalents	\$ 183	\$ 4,512	\$ 4,552	\$ 143
Total assets	<u>\$ 183</u>	<u>\$ 4,512</u>	<u>\$ 4,552</u>	<u>\$ 143</u>
LIABILITIES				
Accounts payable	\$ 19	2,519	2,517	21
Amounts held in custody for others	164	4,687	4,729	122
Total liabilities	<u>\$ 183</u>	<u>\$ 7,206</u>	<u>\$ 7,246</u>	<u>\$ 143</u>
CUSTODIAL ACCOUNTS:				
ASSETS				
Cash/cash equivalents	\$ 1,439	\$ 5,929	\$ 6,064	\$ 1,304
Receivables (net)	16	35	24	27
Investments	-	61	37	24
Securities lending collateral	-	24	12	12
Total assets	<u>\$ 1,455</u>	<u>\$ 6,049</u>	<u>\$ 6,137</u>	<u>\$ 1,367</u>
LIABILITIES				
Accounts payable	\$ 49	\$ 1,457	\$ 1,497	\$ 9
Amounts held in custody for others	1,406	9,883	9,943	1,346
Securities lending liability	-	24	12	12
Total liabilities	<u>\$ 1,455</u>	<u>\$ 11,364</u>	<u>\$ 11,452</u>	<u>\$ 1,367</u>

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FUND	BALANCE JUNE 30, 2007		ADDITIONS	DEDUCTIONS		BALANCE JUNE 30, 2008	
CHILD SUPPORT COLLECTIONS:							
ASSETS							
Cash/cash equivalents	\$	841	\$ 84,035	\$	84,034	\$	842
Receivables (net)		286	1		11		276
Total assets	\$	1,127	\$ 84,036	\$	84,045	\$	1,118
LIABILITIES							
Accounts payable	\$	86	\$ 46,621	\$	46,469	\$	238
Amounts held in custody for others		1,041	83,996		84,157		880
Total liabilities	\$	1,127	\$ 130,617	\$	130,626	\$	1,118
UNCLEARED COLLECTIONS:							
ASSETS							
Cash/cash equivalents	\$	382	\$ 15,186,224	\$	15,186,373	\$	233
Receivables (net)		-	248,763		248,763		-
Investments		-	331		331		-
Total assets	\$	382	\$ 15,435,318	\$	15,435,467	\$	233
LIABILITIES							
Accounts payable	\$	331	\$ 2,694	\$	2,795	\$	230
Amounts held in custody for others		51	14,816		14,864		3
Total liabilities	\$	382	\$ 17,510	\$	17,659	\$	233
INTERGOVERNMENTAL:							
ASSETS							
Cash/cash equivalents	\$	150	\$ 2,909	\$	2,927	\$	132
Receivables (net)		-	-		-		-
Total assets	\$	150	\$ 2,909	\$	2,927	\$	132
LIABILITIES							
Accounts payable	\$	108	\$ 2,440	\$	2,461	\$	87
Amounts held in custody for others		42	2,194		2,191		45
Total liabilities	\$	150	\$ 4,634	\$	4,652	\$	132
DEBT COLLECTION:							
ASSETS							
Cash/cash equivalents	\$	108	\$ 4,659	\$	4,639	\$	128
Receivables (net)		14	5		6		13
Total assets	\$	122	\$ 4,664	\$	4,645	\$	141
LIABILITIES							
Accounts payable	\$	-	\$ 5,564	\$	5,563	\$	1
Amounts held in custody for others		122	3,782		3,764		140
Total liabilities	\$	122	\$ 9,346	\$	9,327	\$	141

(Continued on Next Page)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - Continued

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(amounts expressed in thousands)

FUND	BALANCE JUNE 30, 2007		ADDITIONS	DEDUCTIONS		BALANCE JUNE 30, 2008	
MILK PASSTHROUGH:							
ASSETS							
Cash/cash equivalents	\$	4	\$ 1,354	\$	1,297	\$	61
Total assets	\$	4	\$ 1,354	\$	1,297	\$	61
LIABILITIES							
Accounts payable	\$	-	\$ 1,347	\$	1,297	\$	50
Amounts held in custody for others		4	1,354		1,347		11
Total liabilities	\$	4	\$ 2,701	\$	2,644	\$	61
OPEB STATE:							
ASSETS							
Cash/cash equivalents	\$	-	\$ 20,138	\$	20,138	\$	-
Other assets	\$	-	\$ 20,138	\$	20,138	\$	-
Total assets	\$	-	\$ 40,276	\$	40,276	\$	-
OPEB MUS:							
Cash/cash equivalents	\$	-	\$ 8,867	\$	8,867	\$	-
Other assets	\$	-	\$ 8,867	\$	8,867	\$	-
Total assets	\$	-	\$ 17,734	\$	17,734	\$	-
TOTAL - ALL AGENCY FUNDS							
ASSETS							
Cash/cash equivalents	\$	7,048	\$ 16,192,921	\$	16,194,600	\$	5,369
Receivables (net)		316	248,815		248,815		316
Investments		-	392		368		24
Securities lending collateral		-	24		12		12
Other assets		12,374	30,182		29,224		13,332
Total assets	\$	19,738	\$ 16,472,334	\$	16,473,019	\$	19,053
LIABILITIES							
Accounts payable	\$	619	\$ 74,875	\$	74,841	\$	653
Amounts held in custody for others		19,119	905,779		906,510		18,388
Securities lending liability		-	24		12		12
Total liabilities	\$	19,738	\$ 980,678	\$	981,363	\$	19,053